

# Government gambling with taxpayers' money: opposition

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Liberals compare it to poker, the NDP to roulette. But both provincial opposition parties agree the government is gambling with taxpayers' money when it comes to a \$14-million investment in oil exploration on the province's west coast.

On Friday, Ed Martin the president and CEO of Nalcor Energy, a Crown corporation, announced the investment as part of a \$20-million exploration project at Parsons Pond.

The other \$6 million comes from the private sector.

The first of three exploratory onshore wells is expected to be drilled in September.

Liberal Leader Yvonne Jones was travelling Monday afternoon and unavailable for an interview.

But in a news release, she called the investment risky and compared it to a "high-stakes poker game."

"The province is willing to ante up for an opportunity to sit at the table," she stated. "While there is a chance of doubling or tripling your money, there is an equal or greater chance that you could walk away with nothing."

Jones said she's always been against using tax dollars to buy equity stakes "in the risky oil and gas business."

But she said equity stakes in a proven project at least guarantee a return.

"Oil exploration is much different and whatever money you invest could be lost should oil not be found in commercial quantities," she said.

NDP Leader Lorraine Michael also issued a similar release calling the move reckless.

"This is an area that has already been drilled and yielded nothing," Michael told The Telegram.

She said there is no evidence the drilling will yield oil, even if it goes deeper than it did before.

"I know that Nalcor has a mandate that allows it to explore. I've always had problems with that part of its mandate because we are using public money in something that is, in this case, I really think a real gamble," said Michael.

Michael also suggested the money could be better spent on social programs or at least renewable energy projects like wind farms.

"Since the money is in Nalcor, yes, let's earmark it for energy issues," she said. "Putting the money into something as concrete as wind farms would be the way to go."

Michael said if the government invested more into green energy like wind power it could eliminate the need for the Holyrood generating station which burns fuel and pollutes the air.

Martin acknowledged Friday the investment is high risk, but he said the oil

prospect is worth it.

"We have prospectivity out there. We know there's oil there," he told reporters. "If successful, an entire new petroleum basin will be proven."

He also said the test wells would provide invaluable information about the geology of the area both onshore and offshore.

"The upside potential is not only commercial success in the Parsons Ponds area onshore, but the chance for large fields in the iceberg-free, shallow waters of the near-offshore in western Newfoundland," he said.